Unemployment Insurance Review

March 1967

In this issue

Recent Developments in MDTA Training Allowances

Pennsylvania's UI Tax Collection Policies and Practices

Fifth Training Seminar on UI Financing

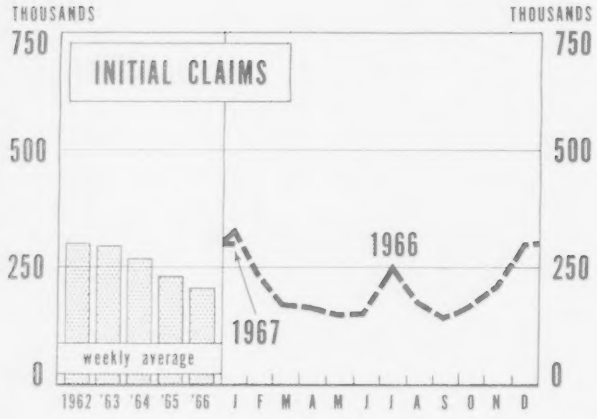
Outservice Training Seminar for Claims Examiners

UNITED STATES DEPARTMENT OF LABOR

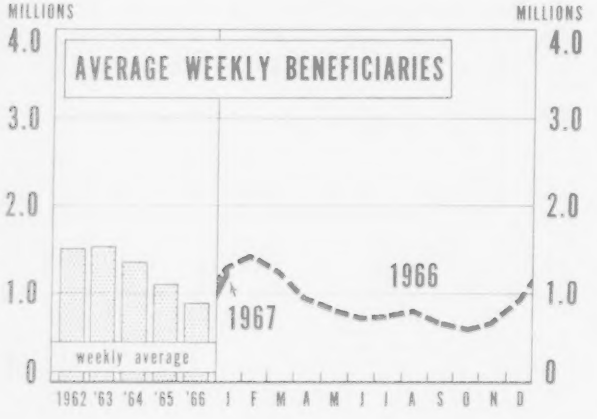
W. Willard Wirtz, Secretary

UNEMPLOYMENT INSURANCE ACTIVITIES

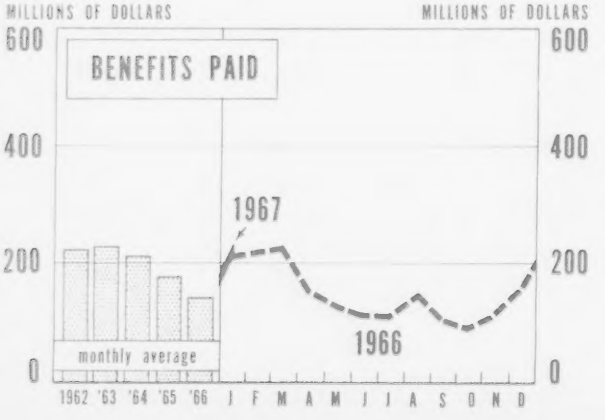
UNDER STATE PROGRAMS



Between December and January initial claims under State programs rose somewhat less than seasonally, edging up by 800 to a weekly average of 300,200. This was 28,900 below a year earlier and the lowest January volume since 1953.



During January, approximately 1,276,000 beneficiaries received payments under regular State programs. This was 41 percent above the December average but 4 percent lower than in January 1966.



During January, $225 million in benefits was paid to insured unemployed workers under the regular State programs, compared with $158,000,000 in December 1966 and $213 million a year earlier.

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U.S. DEPARTMENT OF LABOR
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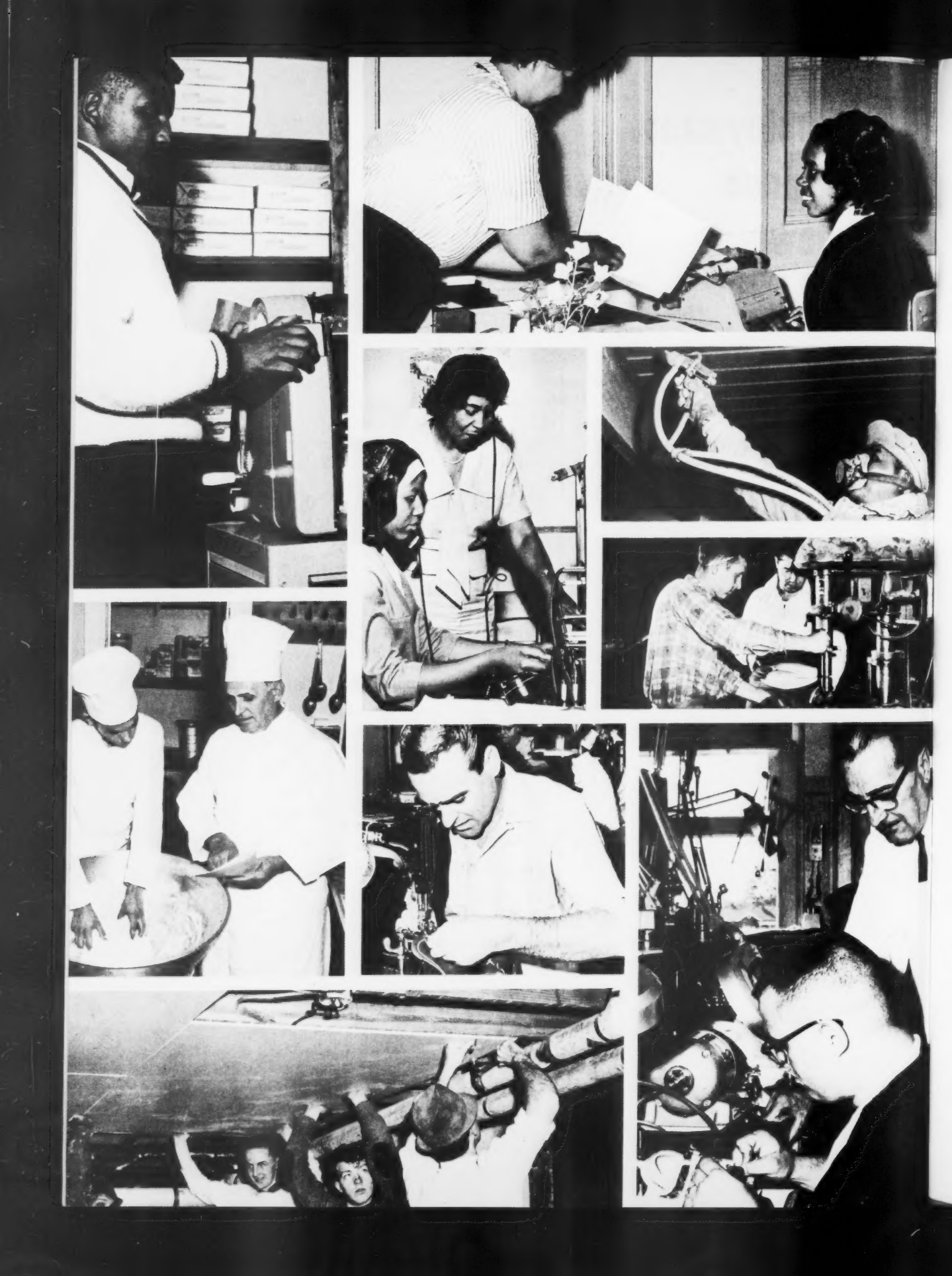

Recent Developments in MDTA Training Allowances

JOHN FRANK KELLEY

DURING THE SECOND SESSION of the 89th Congress the Manpower Development and Training Act of 1962 was further amended. The original act offered many approaches to the general problems of the American economy where skilled workers are in demand but where many new and experienced workers cannot find jobs. Through 1965, the act had been modified in many ways affecting allowance payments made to those being trained or retrained to enable them to produce to the greatest advantage to themselves and to their country. The 1966 amendments have now added new concepts of training. In some instances training allowances are liberalized, and two new parts are added to title II of the act. MDTA is also extended to a larger segment of the manpower resources of the American economy.

This article discusses these further changes as a supplement to a previous article in the *Unemployment Insurance Review* which traced the legislative history of the allowance payment program part of the act through June 1965.[1] The specific changes, without ascribing importance to the order listed, are noted below and described more fully in the subsequent paragraphs.

1. The work experience required to entitle a trainee to regular allowances is reduced to 1 year.

2. The requirements for payment of youth allowances are modified to provide that such allowances may be paid to a youth who has been out of school for less than 1 year.

3. Larger payments to youths completing out-of-school Neighborhood Youth Corps work experience programs are provided.

4. Referral to subsequent training within 1 year, with allowances, is permitted.

5. Cash advances to enable a trainee to meet clear and unmistakable needs are allowed.

6. Recipients of public assistance under certain titles of the Social Security Act who are thus ineligible for regular allowances are permitted incentive payments and expense allowances in lieu of training allowances.

7. Payments of allowances are authorized to individuals referred to training in basic education skills, communication skills, and employment skills, even though they do not require occupational training.

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[1] James E. Rambo, Jr., "Developments in Training Allowances," *Unemployment Insurance Review* (June 1966).

Additional youth are now benefiting from MDTA skill training.

8. Part-time training is sanctioned to meet skill shortages with payments for attributable expenses.

9. Provision was made for experimental and demonstration programs for training and education for persons in correctional institutions, with supportive and followup services and such other assistance as is deemed necessary.

10. Provision was made for programs for needy persons who require work experience or special family and supportive services, as well as training, in order that they may be assisted to secure and hold regular employment.

11. Provision was made to allow up to $100 to provide appropriate physical examinations, medical treatment, and prostheses for persons selected or otherwise eligible to be selected for training.

Except for the last three of these amendments, for which plans are now being completed, policy statements and guideline procedures were issued to State employment security agencies and were made effective beginning with training in the calendar year of 1967.

Work Experience

Among those who had been excluded from needed training because they did not have 2 or 3 years of work experience were widows with minor children and youths who are heads of household. By reducing the requirement to 1 year, it is now possible for most of these persons to receive training.

Youth Allowances

The previous requirement that a youth must have been out of school for a year resulted only in keeping many out of training and in environments

that were not conducive to starts in useful occupations. Now they may receive training, with allowances up to $20 a week, when it is not practicable for them to return to school.

Neighborhood Youth Corps Graduates

Many youths completing NYC out-of-school programs can now benefit from skill training under MDTA. Previously, loss of income involved in moving from the wages and related fringe benefits of an NYC program to MDTA training with youth allowances, or even without allowances of any kind, had acted as a deterrent to such training. Since the Federal Government already has a substantial training investment in NYC graduates and since MDTA skill training may be essential to completion of the rehabilitative work of the corps, it would be unfortunate to withhold from the individual the additional training needed to make him fully employable.

This amendment makes training under MDTA more easily obtainable by NYC graduates by exempting them from program limitations applying to the ratio of youth who may receive training with allowances.

Referral to Further Training Within 1 Year

This discretionary provision will be applied in a narrow range of situations. When, for example, a training program has not served its purpose for an individual trainee and he is unable to obtain permanent suitable full-time employment, or when unforeseen changes in labor demand or occupational requirements occur during or immediately after training to prevent suitable employment, it would be unfortunate if a limitation in the act stood in the way of remedial action and needed additional training.

Previous experience demonstrated that in some instances the 1-year ineligibility for training allowances imposed by section 203(h) created hardships. Since for many individuals reentry into training is not economically practical without receipt of allowances, that section had been a barrier to further training even though circumstances clearly indicated it would be desirable.

This amendment provides the administrative flexibility needed for taking remedial action and furnishing additional training before a year has elapsed from the time when an individual's previous training was completed or otherwise terminated. This amendment, too, means salvaging the training time and funds already invested in an individual by the Federal Government.

Cash Advances

This amendment is intended to assure the maximum use of training opportunities by individuals who have been selected for or referred to training and who, because of urgent financial need for themselves or their dependents, are unable to enter or continue training without immediately available cash funds. Although authorized advance payment of transportation and subsistence allowances to trainees had proved an effective means of facilitating entry into training for eligible individuals, such payment alone was limited in scope and did not provide the kind of cash assistance now available under this new amendment.

Instances have been noted repeatedly of individuals selected for training who, because of modest but critical financial need, failed to report or were compelled to discontinue training and accept transitory or unrelated employment. It has not been uncommon for project officials and instructors to make small loans to trainees from personal funds to cover costs of local transportation, suitable clothing, food, and other expenses incidental to the first week of training. In other cases, acute emergency situations connected with their responsibilities to dependents have exhausted trainees' financial resources, including money set aside from current training allowance payments for personal needs. Administrative delays in initial or subsequent payments of allowances also created emergency financial situations for trainees.

This amendment to the act provides MDTA assistance under the following titles of the Social Security Act without a corresponding reduction in money payments for the public assistance being provided:

Incentive Payments to Recipients of Public Assistance

I. Grants to States for Old-Age Assistance and Medical Assistance for the Aged

IV. Grants to States for Aid and Services to Needy Families With Children

X. Grants to States for Aid to the Blind

XIV. Grants to States for Aid to the Permanently and Totally disabled

XVI. Grants to States for Aid to the Aged, Blind, or Disabled, or for Such Aid and Medical Assistance for the Aged.

Ferson-to-person tutoring is one of many approaches that have been used in basic education.

Heretofore, a person in receipt of an MDTA training allowance would generally have such assistance reduced if he or his family were receiving public assistance under the Social Security Act. The net effect of this situation was to discourage some individuals from entering training. Lacking in incentive, and fearful of disturbing their nominal security, welfare recipients who were otherwise qualified would decline referral to training under MDTA.

Simply stated, the amendment provides that a person benefiting from the public assistance programs under the Social Security Act may not be paid a training allowance under MDTA but may receive a *training incentive payment* of not more than $20 per week and an additional expense allowance of not more than $10 per week to defray expenses incidental to training. Neither of these MDTA payments is to be considered as income or resources in determining the amount of payment under the Social Security Act. This provision is *not* applicable to the Old-Age, Survivors, and Disability Benefit and the Health Insurance for the Aged programs under title II and title XVIII of the Social Security Act.

Basic Education, Communications, and Employment Skills

As efforts to meet the training needs of culturally, educationally, and economically disadvantaged persons continue to expand, it is anticipated that basic education will be required to an even wider extent. However, experience has shown that basic education and occupational training are not always sufficient to assist an individual to become fully employable in an occupation that will use his potential and provide an opportunity for continuing employment. Various supportive developmental activities may be necessary, such as intensive counseling or some training in general work habits and attitudes; for example, familiarization with the world of work, orientation to the expectations of employers and of fellow employees, and assistance with matters of grooming and personal cleanliness. The supportive activities differ in depth and intensity but are similar in purpose, that is, to foster the individual's self-development as a responsible and fully employable member of the labor force. Such assistance has now been provided eligible persons as

part of MDTA programs. Inadequate skill in communication is an additional obstacle that must be overcome in a remedial program aimed at full employment, and allowances for training are now authorized.

Similar needs and problems occur among persons with sufficient occupational skills to be employable but who are unable to secure employment because of the difficulties already described. However, under title II such persons generally have not been eligible for referral to developmental and remedial training and services. Now, section 202(j) authorizes referral of eligible persons for the types of training discussed above, when they have indicated their intention to pursue such training (and therefore presumably will be able to follow through). These referrals may be for those who need occupational training with expectance of employment and also for those who do not need occupational training but who do require these other kinds of preparation in order to become employable. Referrals for such preparatory, supportive, or developmental training may now be considered referrals for training within the meaning of the act. It is anticipated that the successful implementation of this new amendment will contribute substantially to the attainment of employability, particularly among those most in need of manpower development services.

Part-Time Training Expense Allowances

The reexamination of MDTA program emphasis and direction indicated the necessity for substantial redirection of the training effort. A major thrust of this redirection focuses on skill shortages resulting from the rapid expansion of

Experimental and demonstration projects combine occupational training with a variety of recruitment, counseling, basic education, and job development approaches to difficult employment problems.

Modern technology requires new jobs and new skills.

the economy, which tend to be concentrated in certain industries and labor areas. The most severe shortages pertain to certain professional and skilled categories. MDTA training for the most part can alleviate these only indirectly through upgrading and refresher training, along with training in the supportive skills. Despite this limitation, the challenge to MDTA presents both the opportunity and the necessity to help upgrade the skills of each worker to enable him to utilize fully his productive potential, both to his own and his employer's advantage. Training projects are designed to improve and upgrade the skills of underemployed workers who are working below their skill capacity, enabling them to be fully productive or to meet the more complex job requirements of a changing technology. In many instances this will open up opportunities for entry workers who in turn may look forward to similar development and ugrading.

The barriers to upward mobility are greatest, of course, for disadvantaged workers who, if they are employed at all, are in jobs that offer limited potential for occupational advance. MDTA must increasingly address itself to the difficult task of training workers for jobs that promise a progressive upgrading of responsibility and talent.

To enable a trainee, in a part-time training program, to meet the incidental expenses in connection with his training, a nominal sum of $2 will be paid him for each scheduled training session attended, not to exceed $10 in any week. Such payments are in lieu of any payments to which he otherwise would be entitled under the provisions of the act. No payment shall be made to an individual for any training session for which wages are paid or for any hours in which related or supplementary instruction is provided as a part of an on-the-job training (OJT) program for which the trainee is not customarily compensated.

Pennsylvania's UI Tax Collection Policies and Practices

ANDREW M. HEIKES

A NEW ERA in tax collection policies and practices began in March 1963 in the Pennsylvania Bureau of Employment Security. The agency's Tax Collection and Field Accounting Service had long envisioned a fully coordinated employment security tax collection program—one that would effectively control employer delinquency and at the same time keep to a minimum the number of business casualties. The time and circumstances were propitious to put such a program into effect.

Decentralization

The first step in the program was the initiation of a thorough study of both the central office accounting and the field accounting policies and practices then in effect. As a result of this study a decision was made to decentralize the accounts receivable into the 40 local field accounting offices throughout the Commonwealth, thereby shifting the control and responsibility for collection activity from central office accounting to the field—or to the firing line, so to speak. This action was accomplished in part by the preparation and transmission to the field office of a ledger sheet reflecting the total amount owed by the delinquent employer as of the date the sheet was distributed. Upon receipt of these ledgers from central office accounting, it becomes mandatory for the field office to create and maintain in active status a local office collection assignment until the taxpayer's delinquency is resolved. Through the issuance of a credit or debit memo and a listing of report delinquency the central office accounting section continues to notify the local field office of monies and/or unpaid reports mailed directly to central office by delinquent taxpayers. The central office also promptly notifies the field office of actions taken as a result of recommendations from the field for filing of lien, issuance of writ of execution, execution attachment, and so on.

It is important to note here that central office accounting was also reorganized at this time in order that each field office would have a counterpart in the central office, thus expediting the handling of requests for lien action, proofs of claim for filing in third party executions, and other matters where time is of the essence.

The results obtained to date from the new program have more than justified the decision to de-

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centralize. Field collections have steadily increased, largely because the previous loss of considerable monies to the Unemployment Compensation Fund through business failures has been minimized by the accelerated contact activity on the part of the local field accounting offices and the actions taken in the earlier stages of delinquency. The old saying about the early bird getting the worm seems to fit the picture here.

Techniques and Methods

The Pennsylvania agency has a reserve of methods available to assist in the recovery of delinquent taxes but is aware that they may be destructive, as seizure and sale of business assets or invocation of injunction proceedings would have an adverse effect on the UC Fund through increased claims activity and on the community through loss of payroll. Consequently, the agency's tax agents, oriented to the concept of total employment security, appraise the situation in the hope of finding a satisfactory solution to the employer's inability to pay. Circumstances existing at the time of contact dictate the technique or method to be employed to effect collection.

The financial circumstances which contribute to the taxpayer's inability to pay may vary from contact to contact. Likewise, his attitude as well as his willingness to make payment on any given contact may be influenced by his health, or family problems, or any number of reasons. It follows, therefore, that tax agents must be trained to handle the delinquent taxpayer under many types of circumstances. This objective is accomplished in Pennsylvania by on-the-job training in the company of experienced tax agents, with assistance by local field office supervision in the handling of more difficult collection cases, and by a continuing training program at both the local and regional office levels. As a result of this program, our local field accounting offices have been able to handle approximately 90 percent of employer tax delinquency cases without regional office assistance.

Administrative Review

Of course, every State agency has its so-called "hard-core" delinquents. Pennsylvania is no exception, and here is where several new techniques have been developed and successfully employed to handle the approximately 10 percent in this category. One new technique is termed "administrative review." When the local field accounting office has exhausted all reasonable efforts to effect full collection or to find a mutually acceptable solution to the taxpayer's inability to pay, and where it is felt that legal recourse should not presently be invoked, the regional office, charged with overall supervision and responsibility, intervenes. A member of the regional office, who is in a position of decision on proposed arrangements for debt liquidation, arranges a meeting with the delinquent taxpayer for this purpose. Generally speaking, this action involves accounts with delinquency in excess of $500 or situations where reports have been filed without remittance in two or more consecutive quarters.

Ideally, full payment is expected at the time of the administrative review; in practice, about 65 percent of those who appear agree to an acceptable arrangement on a deferred payment plan which over the life of the plan provides for the filing and paying of current reports through the local field accounting office. Payment plans are tailored to the taxpayer's ability to pay and special arrangements may be made, for instance, for employers engaged in such seasonal types of business as construction, strip mining, lumbering, or where activity and income fluctuate throughout the year.

In addition to exploring various means by which the employer might pay, incentives like merit rating, Federal unemployment tax credits, or improved credit rating resulting from removal of lien are presented during the interview. In line with the concept of total employment security, every reasonable effort is made to keep the taxpayer in business without jeopardizing the UC Fund. To date, the results achieved from the administrative review, which is held in an atmosphere of informality and in a spirit of helpfulness, have proven it an effective and rewarding collection technique.

Oral Interrogation

With the 35 percent of hard-core delinquents who are either unwilling to accept an opportunity to discuss their problems through administrative review, or who for other reasons do not appear, the next step taken at the regional level is a formal oral interrogation, conducted by a field attorney assisted by a regional office representative and a hearing stenographer. While the oral interrogation procedure had been in effect in Pennsylvania for many years, the new tax collection program envisages its use only after local office efforts and

the administrative review have failed to accomplish the desired results.

The oral interrogation is arranged through a subpoena requiring the delinquent taxpayer to appear on a specified date and to bring with him certain records and pertinent documents. (The issuance of a subpoena for this purpose is authorized by section 201 of Pennsylvania's unemployment law, entitled "General Powers and Duties of Department.") At this type of hearing the taxpayer may be represented by counsel who has the right of cross examination.

The principal purpose of the oral interrogation is to ascertain, under oath, what became of the assets of a delinquent taxpayer and what assets he now has, in order that further proceedings such as writ of execution or writ of attachment execution may be issued. In general, the taxpayer is questioned about his bank account, interest in real estate, stocks and bonds, future interest, and any other attachable assets. In addition to the questioning by the field attorney, the regional field representative testifies on behalf of the agency and also examines the subpoenaed books of account, records, ledgers, memoranda, check stubs, financial statements, and so forth.

In approximately 80 percent of these cases, the taxpayer agrees to pay in full or to enter into an acceptable deferred payment agreement. In such cases, the attorney adjourns the hearing and the regional field representative, in conference with the taxpayer, formalizes the arrangement for payment of the delinquency. Subsequently, a summary of the proceedings is prepared and transmitted to central office accounting and to the bureau's legal department. The assignment, with attachments, is forwarded to the local field accounting office for recording and transmission to central office accounting. Followup of the arrangements made is reassigned to the local field office.

Further Proceedings

With respect to the few delinquent employers who fail to respond to the subpoena, a preliminary letter is mailed prior to issuing a writ of attachment for arrest arising out of contempt proceedings because of failure to respond to the subpoena. If the delinquent employer does not contact the agency's attorney within a specified time after the preliminary letter is mailed to him, the attorney will prepare a petition for contempt addressed to the court. As a rule, in fact almost without exception, the delinquent taxpayer will contact the agency prior to the return date on the writ. In that case, having fully complied with the requirements of the agency, the attorney will notify the court to have any further proceedings dismissed.

The fully coordinated employment security program has proved its effectiveness by the tremendous progress made in the Pennsylvania agency's tax delinquency collection operations. As the new program is refined and implemented, even greater progress can be expected in the future.

Economic insecurity in a money economy arises in considerable part when earnings stop because of unemployment, retirement in old age, death of the family breadwinner, or disability, either short-term or long-term. No matter how high the level of production, poverty will persist unless there are institutional arrangements for making sure that all have the continuing right to share in consumption when these risks occur. To provide such continuing income is the principal role of social insurance.

—*Policy Issues in Social Security*, Address by Robert M. Ball, Commissioner of Social Security, at the annual meeting of the American Society for Public Administration, Washington, D.C., April 14, 1966. (*Social Security Bulletin*, June 1966, U.S. Department of Health, Education, and Welfare, Social Security Administration.)

Fifth Training Seminar on UI Financing

What would be the impact on unemployment insurance benefit costs of an increase in the maximum weekly benefit amount? a change in the eligibility provision? an increase in maximum duration? What effect would a change in the wage base have on aggregate taxable payroll and on employer taxes? How can the adequacy of reserve funds be measured?

Techniques for developing answers to these and many other questions pertaining to unemployment insurance benefit financing were reviewed and discussed at a 2-week seminar conducted by Bureau of Employment Security actuaries during January 1967. Representatives from 22 State employment security agencies participated in the program held in Silver Spring, Md.

The seminar was the fifth in a series which was initiated in 1961 with an intensive 4-week program conducted in Ann Arbor by the Bureau of Employment Security in collaboration with the University of Michigan. The objective of these training seminars, which are strongly supported by the Interstate Conference of Employment Security Agencies, is to insure that each State agency has at least one individual competent in benefit financing and cost estimating techniques. These functions are particularly important in providing information necessary for decision making to legislative bodies, advisory councils, and other organizations concerned with an adequate and soundly financed unemployment insurance program.

In addition to the discussions on cost estimating and benefit financing techniques, the Silver Spring seminar included presentations by recognized authorities on such related topics as economic trends, the construction and uses of econometric models, seasonal adjustment models, newly revised labor force definitions, Unemployment Trust Fund Accounts, and actuarial techniques used in other social insurance programs.

Outservice Training Seminar for Claims Examiners

KENNETH C. BLOW

This is the first in a series of three reports by trainees participating in an outservice training program for claims examiners, field auditors, and referees.

IT WAS MY GOOD FORTUNE to be among a group of 35 staff members from 10 State employment security agencies and the District of Columbia who participated in an outservice training seminar for claims examiners, held at Temple University in Philadelphia, November 7–11, 1966. This seminar was the first of several sponsored by the Federal Bureau of Employment Security for employees of the State agencies.

Looking back over the week spent at the seminar, I am astonished at the amount of pertinent information that was presented in such a short period of time. While in attendance, I did not realize that some of the material discussed would later prove to be of such value in our daily work. Nearly every day now, an occasion arises in which these basic principles and progressive ideas may be applied.

Although many subjects were covered in considerable detail, I find, upon reviewing my notes, that a great deal more than normally expected has been retained. Undoubtedly this is because the course was so well organized and because it included those subjects of particular interest to the group, with which we could each identify ourselves. Credit is also due in large part to the interesting manner in which the material was presented.

The classes started promptly at 8:30 each morning and continued until 5:30. Morning and afternoon coffee breaks and lunch hour allowed time for informal discussions. The interchange of ideas that takes place during such discussions is well known for its practical value. We found that we shared similar problems and could benefit from each other's experiences in solving them.

Arrangements and Facilities

The advance notices sent to the seminar participants by the university's coordinator of business services programs were complete and most helpful. Hotel reservations had been made and no one had difficulty commuting to the university.

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Classes were conducted in Speakman Hall situated in the heart of the campus. This recently completed building, part of the School of Business, afforded comfortable and uncrowded space in a large case-study room. Laboratory rooms were also available. The university spared no effort to make sure the facilities and arrangements would be helpful to the training process.

There were two dinner meetings. The first, designed to help us get acquainted with each other, consisted of a social hour followed by dinner. This method of introduction encouraged us to actively enter into the seminar's group discussions and various other modes of instruction requiring group participation. The highlight of the second dinner meeting was a speech by Dr. John Freehafer on "The History of the English Language" and was one of the most interesting and delightful speeches I have ever heard. Ordinarily this topic might not be considered of interest to a group of claims adjudicators, but in this instance all agreed that the speech was not only very informative but most enjoyable.

Course Content and Focus

Instruction consisted of sessions on interviewing, report writing, organizational communication, industrial and social psychology, and administrative law (listed in the order of their relative importance in the training and the time spent on each). Throughout the seminar the focus was on the mental and emotional state of claimants as benefit applicants, and the problems of communication that arise in our relations with them. Underlying this main theme was the often mentioned "approach of the future" which stresses ways in which the claimant can be treated more as a person than as just another social security number.

This, of course, is not a new idea and has always been one prerequisite of a good interview. However, I feel much was gained by emphasizing the point at the seminar, considering the tremendous changes taking place in our social programs along with the steadily increasing development and use of electronic processing. In view of the great rapidity with which changes can be expected to occur, we were warned that we must not resist progress. If we do, we may run the risk not only of falling by the wayside in our effectiveness as employees but possibly developing severe mental handicaps within ourselves. It was because of the Bureau's and State agencies' anticipation of the changes that this training program was instituted.

Administrative Law

Professor Hazen Hardy gave us examples of some of his current work as a labor-management arbitrator and presented the basic principles of administrative law. He explained the basis of authority of administrative law as derived from the legislative branch of government, and the function and limitations of the judicial branch concerning administrative law. He further explained that the reason for the development of administrative law, as contrasted to laws passed by legislative bodies, was that the State legislatures and Congress could not possibly act upon the myriad of rules and regulations that are required for the internal management and adjudication functions of the many governmental agencies that administer the laws. He noted the great increase in such agencies, State and Federal, and that on the Federal level there are at least 51 major agencies.

Most significantly, however, Professor Hardy attempted to impress upon us the necessity that administrative rules and regulations be formulated and interpreted in the spirit of the laws as intended by the legislatures. We were given background information with respect to the Federal Administrative Procedure Act, and it was pointed out that of all the decisions rendered in this country only 5 percent are judicial as compared to 95 percent administrative. The area of due process was explored, and he also briefly touched on the influence of politics on administration. Many other areas were dealt with and, even though the subject is complicated and requires concentration, Professor Hardy kept our attention and created interest by interspersing his lectures with appropriate anecdotes.

Industrial and Social Psychology

Dr. Neal Drought, experienced in the field of personnel in business management, lectured on human relations which related to our line of work. He used some case problems furnished by the trainees, and commented on the appropriate actions that should be taken in certain situations. He pointed out basic needs of man, and the importance of giving status recognition and respect to each claimant. He cautioned us to be alert to our own biases and negative attitudes, in order to be able to cope with them. For instance, he discussed the fact that aggression is not always recognized and gave us various rules for avoiding ac-

tions that could alienate us from the claimant. Perhaps the most exciting part of the whole seminar was listening to the actual accounts related by various participants of the experiences they had with claimants who had severe emotional problems. One was attacked by a claimant with a knife and another was threatened with a gun. Dr. Drought's observation on this score was that we should never jeopardize ourselves or other people by personally attempting to pacify a potentially dangerous person. We should call the authorities whenever a real danger is present.

Organizational Communication and Interviewing

Mr. Jay Berkowitz discussed the principles of the communication process in a very enlightening manner. To perform any function properly, it is necessary to first know the fundamentals of the function. Here I found areas in the communication process of which I had not been aware. Besides the principles of "sender," "encoder," "channel," "decoder," and the like, it was stressed that the person to whom one communicates interprets your message in the light of his personal field of experiences, prejudices, and so on, and that it should never be assumed that we are being understood. Each link of the circle of communication must be good, including "feedback" which I had never used to the extent I am now aware it should be. The relative effectiveness of each of the various types of communication was discussed and we were given the approximate limits of retention. The value of such aspects as inflections, gestures, and visual aids was brought to our attention. The most important single point to me was the insistence that we must put energy into our communication—we must *work* at our communication. Just as we would treat any other tool used in our work, we must continually strive to improve our ability to communicate, whether it be in speech, writing, gestures, or any of the other means of communication.

Dr. Philip Harris,[1] who has a broad field of experience as a counseling psychologist, enthusiastically described the rapid changes that could be brought about by cybernetics—the study of communication and control in man and machines—which underlies all systematic design and application of automation and computers. The picture of the future he drew for us could include in as short a period as 35 years such revolutionary developments as a work force of 10 percent or less of the population, the guaranteed annual wage, and the measuring of a person's status not by his occupation so much as by his education and the services he renders to his fellow man and his country. All this, I believe, was presented in an effort to break down our inherent resistance to change. Dr. Harris then departed from the principles of communication and went further into the field of sensitivity—how people feel, beyond simple verbal conversation. He discussed such factors as claimants' resentful feeling of being manipulated through red tape (and their feeling that sometimes we are not interested in them as individuals) as well as other factors that serve to erect a wall through which communication is most difficult. We were told how to overcome this barrier and get people to drop their mask so as to be able to communicate more easily. It was also pointed out that people in our culture have been taught to suppress their emotions, thus further hindering good communication. We were advised that as interviewers we should remain neutral and not be influenced by claimants' emotions which, because suppressed by our culture, often emerge in a distorted way. Laboratory experiments were conducted in sensitivity, and various means of organizational communication were explored. Pertinent papers were distributed for us to discuss in groups during the evening, and we were called on to make reports the following day.

Report Writing

Dr. Freehafer, whose afterdinner speech on the history of the English language had been so enjoyable, conducted this session, and his lectures were truly just as interesting. He pointed out that the effectiveness of our writing depends on how it affects the reader, and therefore we must write in a clear, understandable way that is acceptable to the reader. He demonstrated how words having the same meaning can have different connotations and thus why we should use care in choosing the most appropriate word. We were then given simple rules in both spelling and punctuation which, if observed, could eliminate 80 percent of our errors in these areas. As a supervisor, I have the responsibility of reviewing many decisions each day and realize the need for clear expression. Although the rules laid down were basic

[1] Dr. Harris' article on "Improving Communications Skills of UI Personnel" appeared in the February 1967 issue of the *Unemployment Insurance Review*.

to good writing in general, they will be of particular value to the average claims adjudicator. Dr. Freehafer had no difficulty in finding sufficient errors, among the determinations which we had submitted for review, to demonstrate these rules. It was explained that our writing should be in "informal English" and we were told just exactly what that means. It was brought to our attention that the use of certain phrases can make a determination weak and should be avoided. In the area of punctuation, we discussed the modern approach which seemed to some an excuse to avoid using proper punctuation. However, Dr. Freehafer explained that there have been no basic changes in the rules of punctuation; instead, sentence structure has become less complicated, eliminating the need for so much punctuation.

Advantages of Training

The success of this seminar for claims adjudicators was primarily due to the excellent planning that went into the selection of subject matter, the physical facilities, and, of course, the lectures. In my years of college and in subsequent such training sessions, I never heard such a group of distinguished lecturers. It was apparent that each was sincerely interested in the training program, and each had done considerable research into our job and was therefore able to present interesting material in a way that reflected his own skill.

My one regret was that the course could not have been of 2 weeks' duration, with more emphasis on report writing. A second week of followup training in the near future would be of great value.

The participants in this seminar could not help being jolted from complacency to a realization that improvement and change are not only desirable but actually necessary if we are to keep up with the rapid progress surrounding us. Only by continual self-training in the new and progressive techniques and methods of our job can we increase its effectiveness and enhance its professional status. The seminar served the dual purpose of stimulating us to action toward this objective and giving us the material with which to act.

Unemployment Insurance Decisions*

All Joking Aside

Alaska.—A restaurant worker was left in charge during her employer's absence. When he returned, the claimant related a humorous incident about having stepped on a customer's toe. The employer began teasing her about falling in love with the handsome Spanish customer and during the next 3 hours he informed several persons that the claimant had fallen in love. Later, however, during an unexpected dinner rush, when a customer remarked to the employer, "[Claimant] . . . tells me she fell in love today," he turned angrily upon the claimant and commenced a tirade which began, "Why don't you go tell those customers over by the window? You've told everybody else in the valley. . . ." The claimant became humiliated, embarrassed, hurt, and upset. For the next 2 hours, the employer spoke to the claimant in short angry terms concerning the work to be done. At the end of her shift, the claimant quit. The employer remarked that he did not understand why she wanted to leave.

The appeal referee held that the claimant voluntarily left suitable work without good cause. He said, ". . . in order for conflicts between an employer and an employee to constitute good cause for the employee to leave work, it must be shown there was a course of conduct on the part of the employer amounting to abuse, hostility, or unreasonable discrimination. . . . While the working relationship may have been personally unsatisfactory at the time of the incident . . . such a reason does not constitute good cause. . . ." (Appeal Docket No. AW–1990, Dec. 20, 1966.)

**Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.*

Instinctive Response

Louisiana.—A cafeteria countergirl usually served the ice water. One day when she ran out of glasses and told a waiter who asked for some that none were available, he leaned over the counter and slapped her. She retaliated by throwing a glass of water at him. The water missed the waiter and hit a customer who called the manager and complained, suggesting that the guilty party be fired. Both the countergirl and the waiter were discharged.

The Board of Review reversed the referee's decision that the countergirl was discharged for misconduct, quoting a Louisiana Court of Appeals decision to the effect that a single hotheaded incident cannot be considered the type of premeditated and seriously improper conduct that constitutes a cause sufficient to deny unemployment benefits. (Docket No. 830–BR–66, Dec. 22, 1966.)

Advance Arrangements Unnecessary

Mississippi.—A battery-filler at a cotton mill was laid off when automatic machinery was installed. Although she sought work at a number of places, the referee held that she was unavailable for work. He pointed out that she had made no arrangements for transportation or for care of her three children in the event that she obtained work. The Board of Review reversed the decision of the referee and granted benefits, saying, ". . . it is not necessary to make definite arrangements for someone to care for children before there is a need for the parent to leave them in the care of others. There are many prerequisites to working that must be arranged, but seldom are they arranged before one has reasonable notice of when the work will begin. There is probably too much emphasis placed on interpreting the phrase 'attached to the labor market' insofar as holding that while one is seeking a job one must, so to speak, have in hand a babysitter and private, personal transportation, when our labor history is full of examples of people who have been given 24-hour notice to report to work and have made all of those arrangements within the 24 hours. . . ." (Decision No. 121–BR–66, Dec. 14, 1966.)

Secret Memorandum

Pennsylvania.—Before the owner-operator of a teachers' service organization left on vacation, he issued a secret memorandum instructing the executive committee appointed to function in his absence to suspend any employee who broke any company rule. Among such rules he included one against gumchewing. The memorandum was not posted nor were its contents otherwise made known to the rank and file of employees. One day, the claimant, a 19-year-old secretary, was called before the committee and asked if she had chewed gum during the day. She replied that she had, whereupon she was suspended until such time as the owner-operator should return. She was aware that gumchewing was frowned upon at the company, but had not been warned that it would lead to a suspension from work. When the employer got back, she was requested to return to work. She declined as she had already accepted work with another employer at a higher salary. Under the Pennsylvania Unemployment Compensation Law, a disqualification is imposed for suspensions, as well as for discharges, for misconduct connected with the work. Under this provision, the referee imposed a disqualification upon the claimant. The Board of Review held that the claimant's action was not misconduct and reversed the referee's decision. (Decision No. B–95112–B, Dec. 5, 1966.)

Unreasonable Demand

West Virginia.—The claimant, a divorced man, had been employed for a year as manager of a drive-in restaurant. He planned to remarry his former wife and bring her and their son to live with him. His employer informed him that she would not agree to his continuing to work unless he remained single. The claimant then left his job in order to remarry. The trial examiner set aside the deputy's decision that the claimant voluntarily quit employment to marry, and granted benefits, concluding that "although Claimant quit his job . . . he was justified in doing so. A man's first duty would be to his family and it would not be reasonable for the employer, who is a woman, to demand that he stay single; therefore, Claimant was justified in quitting this job." (Case No. 66–1393 (MS), Dec. 22, 1966.)

Trends in the Economy*

January 1967

A FURTHER SLOWDOWN in economic activity was evidenced in January, although most of it appeared to result from weaknesses in automobile production and in construction. Other indicators showed encouraging signs of strength.

On the negative side, temporary developments, such as severe snowstorms throughout much of the country, together with a much higher than normal inventory accumulation in the 1966 fourth quarter, cut industrial production. The index showed its sharpest drop in over 2 years, reflecting to a major extent a slackening in the auto and steel sectors. Factory orders for durable goods fell to their lowest point since November 1965; shipments also declined moderately. Retail sales were again sluggish, about the same level as in December; durables were pulled down by sliding auto sales, while nondurables sales were affected by heavy snowfalls.

On the brighter side, personal income climbed steeply, rising by the largest monthly gain since August 1966, when a one-shot medicare benefit payment added to an already large increase. After falling for 3 consecutive months, construction outlays rose in January; moreover, both private nonfarm housing starts and permits for future construction advanced quite sharply. Another plus is the expectation that planned outlays of capital spending during 1967 will slightly exceed the expectation level reported in November 1966, according to a special capital spending survey recently released by McGraw-Hill.

Employment developments were strong. (Beginning in January improved employment data were used; the household sample was expanded by nearly 50 percent and now covers 52,500 households a month; definitions of the unemployed were tightened; and the 14- and 15-year-olds, though they are working or looking for work, are no longer counted in the labor force. According to the Bureau of Labor Statistics, the changes yield a 20-percent gain in reliability.) Under the new criteria, total employment (seasonally adjusted) increased by more than 360,000 over December, with all of the gain in the nonagricultural component. Employment in farm jobs remained unchanged. Because of the growth in the labor force, however, there was no significant change in the seasonally adjusted level or rate of unemployment.

The *industrial production index* (seasonally adjusted) dropped in January to 157.9 percent (1957–59=100)—down 1 full percentage point from the December figure. This was the largest decline since October 1964, when an auto strike was largely responsible for a 2.1-point drop. The sharp reduction this January was due in large measure to larger cutbacks than planned in both auto and steel output, as snowstorms forced plant shutdowns. Compared with a year earlier, the January index was up by 7.3 points, or 4.8 percent.

The index for all manufacturing slipped to 160 percent from December's 161.2 percent. Much of the overall decline occurred in the durable goods component. Production of auto assemblies fell by 26 points to 141 percent, and the volume (some 669,900) was nearly 11 percent less than in December and 18 percent below a year earlier. Output of iron and steel also dropped more than expected, when snowstorms curtailed operations in some plants. This index fell from 130.5 percent to 123.0 percent. Some 10.6 million tons of steel were poured this January—only slightly more than the number a year earlier, when steel users were still in the process of working down strike-hedge inventories.

The index for nondurables also slipped between December and January, edging down from 153.1 to 152.6 percent. Most major components either lost ground or remained unchanged over the month.

Factory orders for durable goods fell sharply in January by 5.1 percent to a seasonally adjusted level of $22.7 billion. This decline, the largest since the 9-percent drop in August 1964, reflected reduced bookings in almost every major industry

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

group, most notably in aircraft and metals. Compared with January 1966, new orders were down nearly $900 million.

Factory shipments of durable goods slipped by 1.2 percent to $23.5 billion. Both transportation equipment and primary metals shipments declined, but those of machinery edged up. January 1966 shipments totaled $22.7 billion.

The seasonally adjusted *order backlog for durables* was down by 1.1 percent by the end of January to $75.4 billion, which was the second drop in 3 months. In January 1966, the backlog of durable goods orders amounted to $63.8 billion.

Private housing starts climbed vigorously in January for the third successive month. At a 1,243,000 (seasonally adjusted) annual rate, private starts were 14.6 percent above the December figure but 23 percent below a year earlier. From the postwar low of 841,000 in October 1966 to January 1967, starts have advanced by 48 percent. All regions of the country, except the Western States, showed improvement from December. The sharpest gains were in the North East and North Central regions; in the West starts declined.

January's *construction permits* were issued at a seasonally adjusted annual rate of 893,000 units—compared with 759,000 in December and 1,255,000 in January 1966. The North East area registered the strongest gains, with lesser gains in the North-Central and West regions; a slight reduction occurred in the South.

Nationally, permits for single family homes rose from 477,000 in the preceding month to a 560,000 annual rate, but were still sharply below the 711,000 level of a year earlier. The permit rate for units to house five or more families was up by nearly 19 percent to 281,000, while the rate for units in two- to four-family buildings moved up by almost 16 percent to 52,000.

The volume of *new construction put in place* showed a slight increase over the month, marking the first advance since September. The Bureau of the Census estimated that January outlays, at a seasonally adjusted $69.7 billion (current dollars), were $332 million higher than the previous month but down by $7.9 billion, or 10 percent, from a year earlier. After adjusting for cost increases, the pace this January was down 14 percent from a year earlier.

Private construction, which accounted for over two-thirds of the January spending, fell 16 percent from December and was 13 percent under last January. Much of the over-the-year slack stemmed from weakness in residential construction. Public construction activity dropped by 11 percent over the month and by some 4 percent over the year.

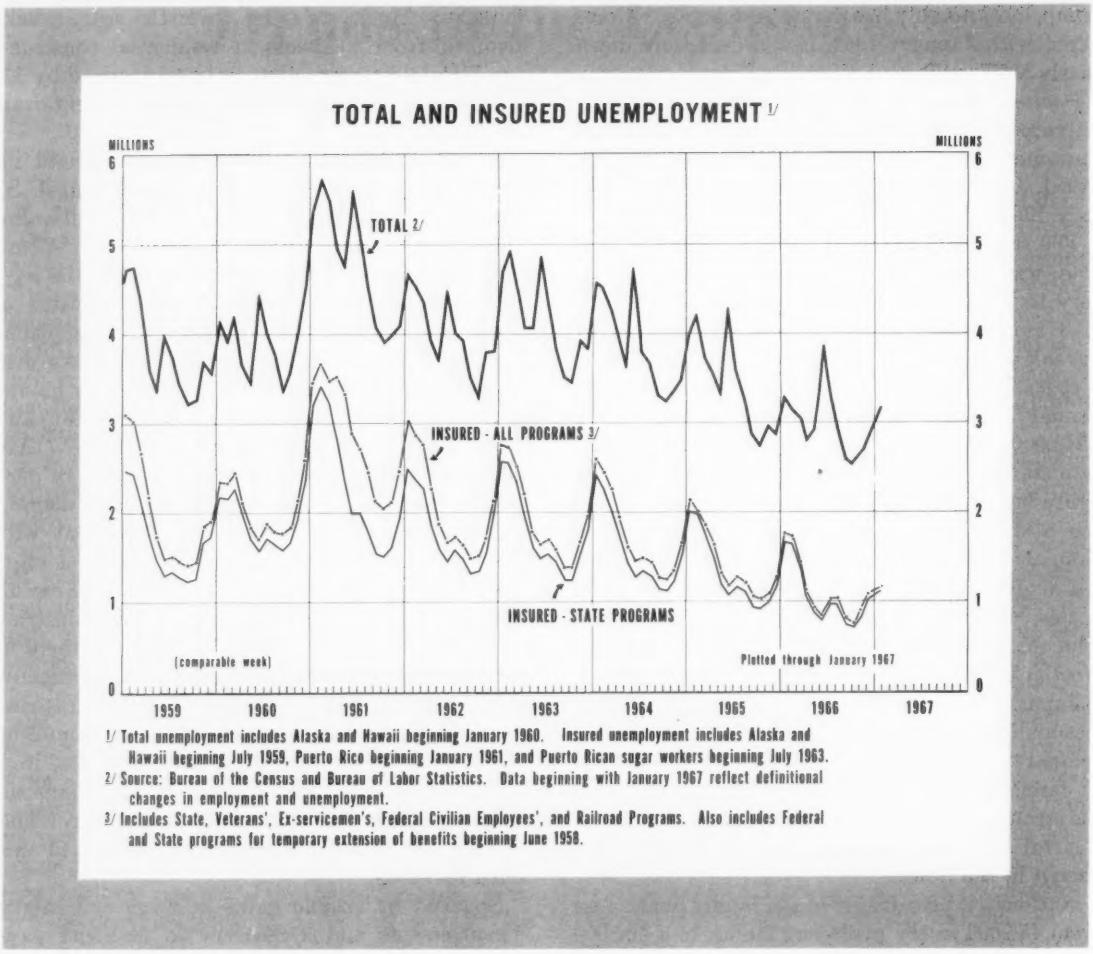
A special *capital spending* survey released in late January by McGraw-Hill shows that U.S. companies plan capital outlays of $64.4 billion in 1967, or 6.3 percent more than in 1966. Compared with the 5-percent gain detailed in the regular November 1966 survey, this indicates a slight improvement in business spending plans. While the November survey implied a downturn in spending after July 1, the latest survey points to the possibility that quarterly increases in capital spending will continue after mid-1967. Although the latest figures (average gain of 16 percent in the past 3 years) are not of boom magnitude they do show that capital investment will top 8 percent of gross national product—a high rate, historically. Despite the high rates of spending in the 3 preceding years, a few industries are still in a capacity bind; in addition, there is constant pressure for modernization on practically all industries. In manufacturing, industries showing the largest upward revisions from November are electrical equipment, aerospace, iron and steel, ships, railroad equipment, miscellaneous nondurables, paper and pulp, and rubber. The mining and utilities industries also showed upward revisions.

Sparked by sizable gains in wage and salary disbursements and a recovery in dividend payments, *personal income* climbed by $5.4 billion to a seasonally adjusted annual rate of $607.2 billion—a record high. The January gain was the largest monthly increase since last August, when a $5.4 billion advance also occurred. Compared with a year earlier, personal income was up by more than 8 percent.

The broad category of wages and salaries rose by $3.3 billion to $410.8 billion, with the key factory payroll rate climbing by $900 million to $132.3 billion. The gain in the factory payroll sector reflected mainly record average hourly earnings.

Dividend income in January rose by $1.5 billion, following a drop of $1.4 billion in December. The annual rate of dividend income came to $21.3 billion; a year earlier dividend income amounted to $20.8 billion.

Reflecting continued sluggishness in consumer


TOTAL AND INSURED UNEMPLOYMENT 1/
MILLIONS
MILLIONS
TOTAL 2/
INSURED - ALL PROGRAMS 3/
INSURED - STATE PROGRAMS
(comparable week)
Plotted through January 1967
0
1
2
3
4
5
6
1959
1960
1961
1962
1963
1964
1965
1966
1967
1/ Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959, Puerto Rico beginning January 1961, and Puerto Rican sugar workers beginning July 1963.
2/ Source: Bureau of the Census and Bureau of Labor Statistics. Data beginning with January 1967 reflect definitional changes in employment and unemployment.
3/ Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

demand, *retail sales* (seasonally adjusted) eased down by $14 million to $25.3 billion—the lowest since May 1966. Compared with a year earlier, retail sales were up by 1 percent. Sales of durable goods, at an adjusted $8.1 billion, were off somewhat from December's volume. The automotive group showed a sales drop of about 17 percent to approximately 565,000 units. This was also 17 percent less than the year-earlier sales, and it was the steepest year-to-year decline for any month since the sales slump began in April 1966. Nondurables sales, at $17.2 billion, were unchanged from December but were 3 percent higher than in January 1966.

Employment

The improved system for measuring employment and unemployment went into effect with the publication of the January 1967 statistics from the household survey. Changes were made in the definition of both employment and unemployment. The lower age limit was raised from 14 to 16 years. This change if applied to 1966 data has the effect of reducing the *annual average* unemployment rate by 0.1 percentage point, the unemployment level by about 100,000, and the employment total by 1.2 million. Moreover, the new definition of unemployment produces a slightly lower count of unemployed adult men and a higher count of adult women jobseekers. In addition to the changes in definitions, the sample was enlarged to 52,500 households per month in over 449 sample areas, compared with the former sample which covered 35,000 households in 357 areas.

Total civilian employment (based on the new definition) totaled 72.2 million in January, which

was 1.8 million above the year-earlier figure. Nonagricultural employment, at 68.8 million, was 1.9 million higher; agricultural employment, in line with its long-term downtrend, dropped by 150,000. Included in the over-the-year job gains were some 1 million adult women, 600,000 adult men, and 200,000 teenagers.

January's *nonfarm payroll employment* rose by 280,000 (seasonably adjusted) to a record high of 65.4 million. Gains from December were registered in all industry divisions, except in construction where the employment level was unchanged. Among those showing higher employment, the most sizable increases were posted by the trade (128,000), services (39,000), and manufacturing (35,000) industries.

In the manufacturing sector, the only weakness was in transportation equipment (down 11,000), as auto production cutbacks were more than expected for this time of year.

Compared with a year earlier, nonfarm payroll employment, at 64.3 million (unadjusted), was some 2.9 million higher, with gains reported in all industry groups except mining and construction. The manufacturing industry recorded the largest advance (913,000), with the bulk of the gain occurring in the durable goods sector. The only employment losses in manufacturing were in the lumber (23,500), stone-clay-glass (7,100), leather (3,400), and petroleum (100) industries.

The *average workweek* for factory employees declined by 0.6 hour between December and January to 40.7 hours. (On an adjusted basis, the workweek remained unchanged at 40.9 hours.) *Overtime hours* averaged 3.3 hours at premium pay, down 0.5 hour from December and 0.4 hour from a year earlier. Factory production workers' *average hourly earnings* rose by 1 cent to $2.78, an alltime high. However, weekly earnings were down by $1.25 to $113.15 because of the reduction in average weekly hours.

Unemployment

Total unemployment in January stood at 3.2 million (based on the new definition)—some one-half million more than in December but 68,000 less than a year earlier. On a seasonally adjusted basis, however, the January level, at 2.8 million, was unchanged over the month. There were 1.3 million adult men, 1.2 million adult women, and 667,000 teenagers (age 16 to 19) out of work.

The January seasonally adjusted rate of unemployment, at 3.7 percent, was unchanged from December and was the lowest rate for this month since 1953, when the rate was 2.9 percent. A year earlier, the jobless rate was 3.9 percent. For adult men, the unemployment rate was down to 2.2 percent from 2.4 percent in December. The rate for women, at 4.3 percent, was up over the month from 3.9 percent. The rate for teenagers (age 16 to 19) dropped from 12.2 percent to 11.0 percent. A year earlier, the rates were 2.6 percent, 3.9 percent, and 13.0 percent, respectively.

Insured Unemployment*

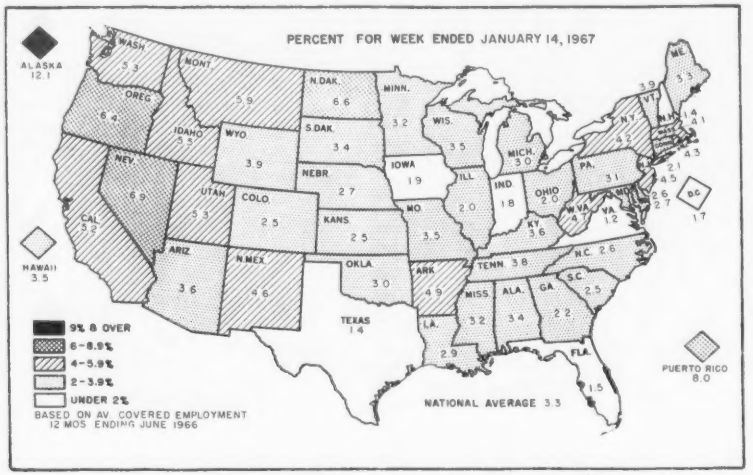
INSURED JOBLESSNESS rose seasonally during January by 24 percent to a weekly average of 1,558,000. Despite the sharp increase (304,400), the January weekly average was some 86,400 below the year-ago figure and represented the lowest January average since 1956. The rate of insured unemployment (unadjusted) rose to 3.3 percent from 2.7 percent in the previous month. Nevertheless, it was the lowest for the month since 1953, when 3.3 percent also was registered; a year ago, the rate was 3.7 percent.

The volume of claims under the two Federal programs also rose during the month. Under the program for Federal employees (UCFE) the weekly average of insured joblessness moved up 23,100, some 3,500 higher than the December figure. The average (5,800 below that of a year ago) was the lowest for the month since 1955.

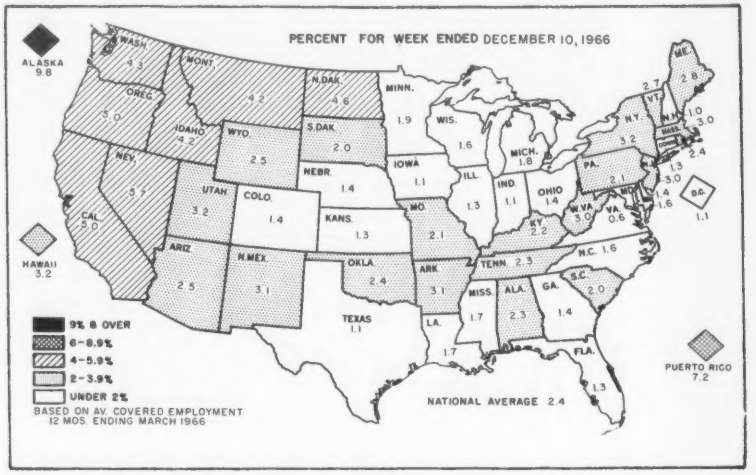
**Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

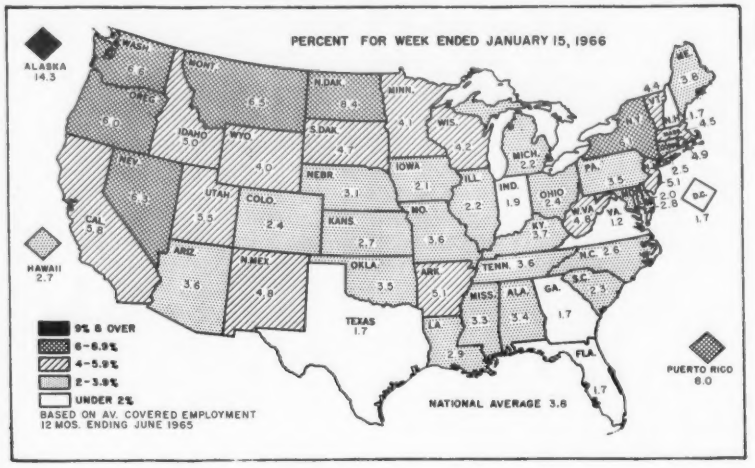
LATEST MONTH



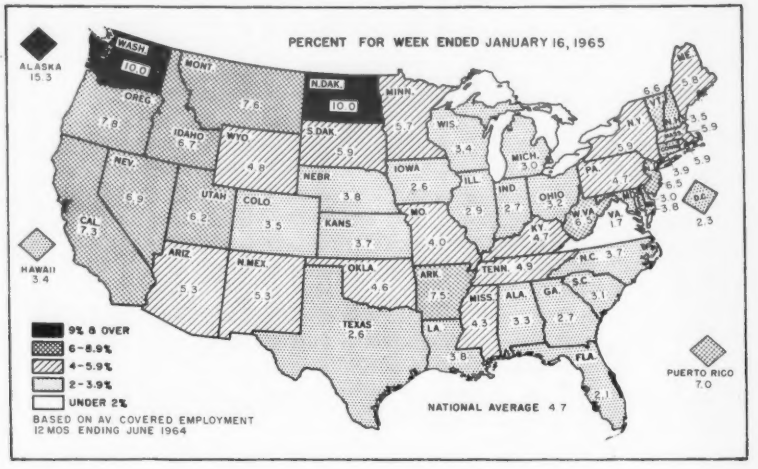
PREVIOUS MONTH



ONE YEAR AGO



TWO YEARS AGO



Week ended—	Initial claims [1]		Insured unemployment [1]	
	1966	1965	1966	1965
December 3	243, 600	257, 300	1, 037, 900	1, 161, 100
December 10	302, 600	250, 900	1, 128, 800	1, 187, 600
December 17	254, 700	263, 200	[2] 1, 205, 300	1, 237, 900
December 24	289, 000	287, 200	[2] 1, 268, 500	1, 355, 500
December 31	373, 800	376, 600	1, 498, 000	1, 539, 100
	1967	1966	1967	1966
January 7	346, 400	402, 600	1, 594, 300	1, 657, 800
January 14	334, 200	348, 000	1, 563, 200	1, 673, 700
January 21	277, 700	290, 800	1, 551, 200	1, 623, 900
January 28	252, 800	277, 900	1, 532, 800	1, 617, 200
February 4	274, 400	318, 700	1, 534, 000	1, 668, 800
Weekly averages				
December	299, 400	289, 600	1, 253, 600	1, 307, 800
January	300, 200	329, 100	1, 558, 000	1, 644, 400

[1] Refers to State programs. [2] Revised figure.

Under the program for ex-servicemen (UCX) insured joblessness averaged 24,500 per week; this was the lowest January figure since the start of the series in 1958. The average was 32,000 last year.

Joblessness Higher in All States

All 50 States and the District of Columbia had higher unemployment in January than in the previous month. The largest increases were reported in New York (24,200), Michigan (20,700), California (20,200), New Jersey (19,100), and Pennsylvania (17,900). Six other States posted increases ranging between 10,000 and 15,000—Illinois, Massachusetts, Missouri, Ohio, Tennessee, and Wisconsin.

The increases in New York, New Jersey, and Pennsylvania were largely in the construction industry, although postholiday layoffs in apparel and in trade and services also contributed to the advance in each of these States. Cutbacks at auto assembly plants, due to lagging car sales, were the primary factor in Michigan's over-the-month upswing; while in California, layoffs in trade and services added heavily to the insured jobless volume.

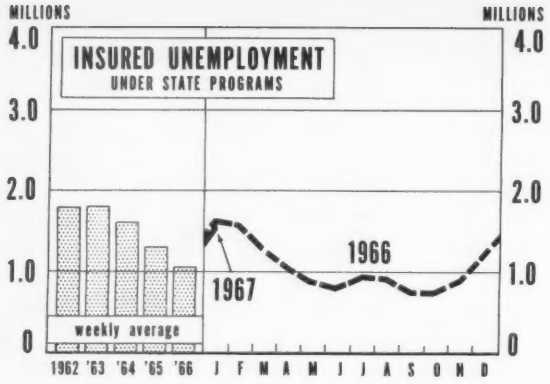
The only January decline in insured joblessness was noted in Puerto Rico, where the average dropped by 6,600, mainly because of fewer claims from sugarcane workers.

Compared with a year ago, 29 States plus the District of Columbia reported lower volumes of insured unemployment. By far the most substantial decline occurred in New York; its weekly average was some 73,200 below that of January last year, when the volume in that State soared because of the transit strike in New York City. Pennsylvania showed the next largest drop (10,900) which mainly reflected less joblessness in primary metals and services. Ohio's drop of 7,250 also stemmed largely from increased activity in primary metals; in addition, less joblessness among workers from the trade industry was noted.

Among States showing increased insured unemployment over the year, Michigan had the most substantial rise (20,400), in large part due to recent cutbacks in the auto industry. Only one other State, Oregon, reported a rise of more than 5,000; an increase of 5,500 was traceable to reduced activity in logging and lumbering, following weaknesses in the homebuilding industry.

Activity [1]	Number or amount	Percent change from—		Cumulative (in thousands) first month	
	January 1967	December 1966	January 1966	1967	1966
Initial claims	1, 346, 400	+5. 2	−3. 7	1, 346	1, 399
Weeks claimed [2]	6, 878, 900	+39. 4	+0. 5	6, 879	6, 842
Insured unemployment (weekly average) [2]	1, 558, 000	+24. 3	−5. 3	1, 558	1, 644
Beneficiaries (weekly average)	1, 276, 000	+41. 4	−4. 1	1, 276	1, 330
Benefits paid [3]	$224, 787, 000	+42. 7	+5. 7	$224, 787	$212, 659
Claimant exhaustions	66, 500	+16. 7	−14. 7	67	78

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly data represent gross amount; cumulative data represent net amounts.



As is usual for January, the highest rate of insured joblessness (unadjusted) was reported in Alaska—12.5 percent. Puerto Rico's rate was 8.0 percent, Nevada's 7.0 percent, North Dakota's 6.7 percent, and Oregon's 6.4 percent. Three large industrial States had rates above the national average—California (5.4 percent), New Jersey (4.5 percent), and New York (4.1 percent). Four showed rates below the national average—Pennsylvania (3.0 percent), Ohio (2.0 percent), Illinois (1.9 percent), and Indiana (1.8 percent).

Total Benefits Rise

In January some $224.8 million was disbursed to the insured jobless under the State programs. This was $67.2 million more than in December (a sharp rise is usual at that time of year), and some $12.1 million more than in January of last year.

The weekly benefit amount for the totally unemployed averaged $41.73 in January, an over-the-year increase of $2.37. The highest average weekly benefit amounts were paid in California ($51.35), Hawaii ($49.62), Colorado ($49.24), Wisconsin ($48.91), Michigan ($47.54), and Connecticut ($46.01). The lowest were disbursed in Puerto Rico ($17.66), West Virginia ($26.48), and Mississippi ($26.51).

Approximately 10 percent of those who drew benefits during the month received payments for partial unemployment. Such benefits averaged $24.21, up by 26 cents from the year-earlier figure. Because of diverse industrial composition and varying State laws, the proportion of partial benefits ranged from highs of 19.7 percent in Pennsylvania, 19.1 percent in Missouri, and 19.0 percent in Wisconsin to lows of 2.4 percent in Puerto Rico and 2.7 percent in Minnesota.

Federal program benefit payments also rose during the month; some $3.6 million was paid out under the UCFE program (up over the month by $500,000) and $4.0 million under the UCX program (up $1 million).

The average UCFE weekly benefit check in January was $41.01, or $1.64 above the year-ago figure. UCX benefit payments averaged $41.40, some $3.23 above that of January 1966.

Exhaustions

During the month, 66,500 persons exhausted their rights to State UI benefits, the lowest January total in the postwar period. Last January, exhaustions numbered 78,000.

NOTE.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C., 20210.

Income-Maintenance Program Operations

All Programs

	1966		1965	
	October	September	October	September
Total Public Income-Maintenance Payments (millions)	$3,693	$3,670	$3,221	$3,941
Old-age, survivors, and disability insurance	1,889	1,862	1,574	2,266
Railroad and public employee retirement	1/577	1/572	1/501	1/498
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/323	2/337	2/334	2/357
Veterans' compensation and pension programs	368	371	356	358
Public assistance	535	528	457	463
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	22,457	21,919	20,523	20,389
Retired workers	11,601	11,563	11,009	10,966
Survivors and dependents	9,324	9,280	8,544	8,460
Disabled workers	1,080	1,076	970	965
Total monthly benefits (millions)	3/$1,621	3/$1,598	3/$1,494	3/$1,483
Retired workers	977	973	925	921
Survivors and dependents	522	519	474	468
Disabled workers	106	105	95	94
Persons receiving special benefits	4/16	--	--	--
Public Assistance				
Total recipients (thousands)	7,880	7,852	7,614	8,095
Federally aided programs	7,284	7,256	6,982	7,446
Aid to families with dependent children--children	3,428	3,414	3,223	3,296
Total recipients	4,528	4,508	4,268	4,379
Old-age assistance	2,089	2,084	2,083	2,140
Other federally aided programs	1,505	1,440	905	928
General assistance: Cases	287	286	299	305
Recipients	596	596	632	649
Total payments (millions)	5/$535	5/$528	5/$457	5/$463
Federally aided programs	504	497	428	433
General assistance	23	23	20	21

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.
2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.
3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.
4/ Special benefits (authorized by P. L. 89-368) for persons aged 72 and over not insured under the regular nor the transitional provisions of the Social Security Act, beginning October 1966.
5/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	November 1966	October 1966	November 1966	October 1966	November 1966	October 1966	November 1965	October 1965
California								
State plan								
Basic benefits	49,789	47,983	291,412	278,304	$16,215,697	$15,428,301	$16,207,852	$14,818,790
Additional hospital benefits	1/27,686	1/27,974	2/198,944	2/202,033	2,387,328	2,424,396	2,535,780	2,483,556
Private plan	3,416	2,692	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New Jersey								
State plan	8,152	7,707	55,177	56,856	2,199,877	2,238,693	2,111,953	2,258,865
Private plan	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New York	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Rhode Island	2,770	2,867	26,513	26,320	969,415	961,484	951,215	872,165
Railroad								
Sickness	8,784	8,315	4/100,634	5/107,116	3,668,274	3,751,687	4,011,314	3,916,316
Maternity	138	108	4/2,058	5/2,112	144,286	146,861	131,525	141,046

1/ Represents the number of payments made.
2/ Days for which additional hospital benefits were paid.
3/ Data not available.
4/ Estimated from data "benefit periods" compensated which number 50,317 for sickness and 1,029 for maternity.
5/ Estimated from data "benefit periods" compensated which number 53,558 for sickness and 1,056 for maternity.

Selected Unemployment Insurance Statistics, State Programs, January 1967

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending Jan. 1967 (in thousands)		Funds available January 1967 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/1346368	8/6878892	8/1557991	1276035	$41.73	66525	$224786961	$1781500	$3355707	9709227
Alabama	20185	91056	20846	14863	31.98	1099	2055076	16835	31513	104775
Alaska	2836	22201	5088	4724	43.96	309	905714	6627	10769	10/ 19949
Arizona	10477	44755	10439	7621	38.12	487	1264090	10024	17838	72436
Arkansas	12980	69968	16202	9773	29.72	543	1249024	10071	17860	40821
California	200348	1075863	247277	219480	51.35	13543	48348576	2/416133	570169	780963
Colorado	9943	38699	10183	6198	49.24	231	1300476	9531	17887	70714
Connecticut	15457	86069	18999	16452	46.01	839	3264630	25584	66221	245227
Delaware	3495	17155	4016	4216	43.26	195	785083	6088	7100	25310
Dist. of Col.	4134	23315	5393	4022	43.95	178	773724	7359	11304	68500
Florida	19272	80907	18266	10139	28.70	1258	1241351	17374	40297	205433
Georgia	21897	88850	18942	12293	33.23	1342	1636820	13996	42611	226431
Hawaii	3678	29021	6600	5627	49.62	259	1158035	8112	11664	26971
Idaho	4816	35657	7861	6024	44.52	259	1128874	6391	10190	35897
Illinois	46629	250966	57716	45831	45.61	2405	8899059	70422	104432	573393
Indiana	31262	95442	22624	18200	35.29	1497	2782464	21062	60484	224504
Iowa	8024	41853	9925	6636	43.56	361	1215542	7810	12847	125632
Kansas	8452	42138	9785	6913	42.03	356	1259944	9501	19326	74848
Kentucky	14725	84284	19469	13082	36.00	669	1975722	15203	28809	137969
Louisiana	19305	79456	19178	13937	36.31	1087	2162251	19956	41564	150311
Maine	5424	32038	7039	6120	36.02	444	902729	6744	10940	39593
Maryland	23413	100554	22643	20589	40.28	491	3505725	22193	52058	205838
Massachusetts	42462	305237	66866	59231	44.25	3006	10808939	87237	148960	285375
Michigan	61943	272024	65481	50199	47.54	2348	10232558	81957	195367	10/ 610617
Minnesota	17423	108354	26558	18944	37.15	830	3064618	19768	44304	50482
Mississippi	12715	51872	11932	7737	26.51	298	877854	6146	16495	73938
Missouri	41333	154353	35930	23393	38.79	1245	3630715	29330	54119	267354
Montana	5703	31571	7438	5557	32.08	331	786084	5380	6399	20615
Nebraska	6427	27555	6859	5274	37.06	327	844535	6014	9330	45087
Nevada	7138	39091	8924	7698	43.51	462	1439640	11550	11390	28360
New Hampshire	2985	11224	2341	1704	37.84	12	261291	1855	7976	37046
New Jersey	55319	341125	78283	73422	40.93	4238	12782721	105348	157426	358725
New Mexico	6403	30580	7553	5193	31.59	153	708218	6155	8180	37491
New York	168809	1000160	219312	221125	43.61	7401	39978950	315519	485040	1449281
North Carolina	48672	138857	29618	21965	32.27	896	2617077	21292	54924	278351
North Dakota	2983	22232	5232	4666	44.29	223	863857	5568	7168	7168
Ohio	49455	238512	54462	39115	41.36	1051	6938013	51268	200893	511546
Oklahoma	9983	54501	12473	7921	27.59	640	939632	10890	17137	56163
Oregon	24414	135253	31166	24240	38.33	645	4015263	22139	36938	111835
Pennsylvania	90749	429026	98588	76760	36.71	1978	11343205	85974	318071	10/ 529100
Puerto Rico	8/17124	8/152519	8/28426	15934	17.66	4632	12575542	2/154427	234898	63210
Rhode Island	10357	49846	11094	9621	40.28	422	1645458	11736	21671	64321
South Carolina	16395	59180	14052	9328	31.25	859	1244875	10091	25503	113109
South Dakota	1946	13482	2960	1794	33.85	105	256978	1828	2670	16073
Tennessee	29414	141188	32315	20012	31.33	1068	2684426	19101	50869	141894
Texas	28047	139078	30207	21907	31.28	2450	2937191	29073	66217	291179
Utah	7439	46101	10456	7420	41.69	410	1338699	9062	12474	41031
Vermont	3164	15552	3522	2720	39.26	94	443754	3210	9457	15118
Virginia	15896	44730	11540	7529	33.18	453	1065444	7724	25091	169142
Washington	27622	164561	37632	31735	33.98	973	4686856	31527	67154	249950
West Virginia	13037	67903	15571	11515	26.48	565	1286683	9742	18889	72389
Wisconsin	32119	154837	35005	27959	49.91	523	5695935	32897	61167	247395
Wyoming	2044	12132	2701	1736	41.63	35	310041	2271	4431	12475

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $25,281 in payments under extended duration provisions of State laws in Puerto Rico.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs, January 1967

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	15243	99472	19844	$3580971	$41.01	18798	107220	21756	$3963355	$41.40
Alabama	373	2207	334	50645	34.48	338	2051	383	58421	34.67
Alaska	231	2308	526	103372	44.69	47	534	134	25555	43.39
Arizona	281	1477	296	50158	38.55	276	1530	304	54431	40.74
Arkansas	256	1307	142	20997	33.70	152	1148	194	30300	35.52
California	1697	16119	3405	790845	52.78	3346	22451	4897	1048805	48.68
Colorado	239	767	105	21696	46.96	284	1202	206	42950	47.46
Connecticut	50	362	56	11537	46.71	131	563	100	18078	41.27
Delaware	4	102	13	2573	43.61	44	205	41	8204	45.83
Dist. of Col.	439	2756	734	148772	46.09	67	385	76	14323	42.88
Florida	231	1103	144	19380	30.66	328	1402	238	33574	32.10
Georgia	275	1782	289	49853	39.19	313	1663	284	51079	40.93
Hawaii	145	950	240	50432	47.80	121	1163	258	59940	52.81
Idaho	197	1792	344	66700	44.03	146	869	167	29284	39.90
Illinois	457	2747	509	82842	36.97	544	2318	443	78160	40.14
Indiana	117	673	118	19545	37.73	275	1253	233	37661	36.74
Iowa	96	282	60	11045	41.84	95	474	131	26209	45.42
Kansas	91	743	145	27068	42.43	196	618	125	23842	43.51
Kentucky	272	1749	343	55655	36.93	359	2700	597	106362	40.49
Louisiana	166	1441	190	30718	36.74	257	1583	287	50758	40.16
Maine	33	325	67	9506	32.22	111	645	136	23257	38.83
Maryland	268	851	143	25771	41.10	414	1314	290	54759	42.95
Massachusetts	388	2520	512	105911	47.03	328	2196	502	107324	48.58
Michigan	357	1784	380	69381	41.52	738	3174	652	125716	43.83
Minnesota	166	991	244	37361	34.85	316	1970	500	87659	39.83
Mississippi	203	1554	302	37596	28.27	125	520	103	13307	29.31
Missouri	361	1366	268	42724	36.24	322	1726	406	69641	38.95
Montana	328	1603	290	42449	33.24	105	738	145	21094	33.11
Nebraska	123	840	186	28667	35.09	69	357	75	12744	38.50
Nevada	105	553	75	14314	43.38	133	621	102	19251	42.88
New Hampshire	18	54	13	2241	40.75	68	221	40	7679	43.88
New Jersey	485	2363	402	76920	43.51	505	3436	665	126946	43.42
New Mexico	242	1380	220	31766	32.85	202	985	180	27076	34.27
New York	1399	7914	1566	282072	40.94	1236	5764	1117	199770	40.64
North Carolina	244	1505	317	41504	29.79	349	1512	298	51839	39.54
North Dakota	52	566	113	18789	37.96	88	984	207	35310	38.84
Ohio	324	2122	531	90612	38.81	909	4045	592	105000	40.32
Oklahoma	111	1087	205	25523	28.33	134	1249	221	30079	30.98
Oregon	388	1994	476	74697	35.65	381	2533	483	87477	41.19
Pennsylvania	841	5075	985	166549	38.44	1489	8128	1649	289141	39.85
Puerto Rico	93	597	94	7805	18.81	153	2252	480	41962	19.87
Rhode Island	87	640	141	28418	45.76	98	582	122	23269	43.49
South Carolina	129	705	128	19508	34.71	176	987	189	32983	39.74
South Dakota	112	665	108	16063	33.68	55	477	99	14896	34.17
Tennessee	834	4730	983	157596	36.42	326	2499	499	78969	35.99
Texas	484	3548	745	106331	32.46	709	4506	957	151551	36.01
Utah	211	1865	331	63614	43.72	132	884	157	27791	40.22
Vermont	24	117	14	2634	43.18	23	154	29	5282	41.92
Virginia	195	817	150	22364	33.83	189	667	101	15823	35.48
Virgin Islands	1	0	0	0	0	2	2	0	0	0
Washington	686	5766	1295	211049	37.04	948	4162	901	153469	38.73
West Virginia	95	408	78	7516	22.04	359	2076	423	60571	32.57
Wisconsin	178	2110	411	85178	47.09	213	1418	293	53978	41.94
Wyoming	61	390	83	14709	40.52	74	324	53	9806	42.27

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

THE LONG-TERM UNEMPLOYED

A Special TEUC Report Series

This report completes the series of special reports designed to cover various aspects of the Temporary Extended Unemployment Compensation Program, 1961-62. Each of these special reports, with a brief description of the contents, is indicated below. Copies of the reports, each bearing the general title "The Long-Term Unemployed," are available from the U.S. Department of Labor, Bureau of Employment Security, Washington, D.C., 20210.

EDUCATIONAL ATTAINMENT, Special TEUC Report No. 1, October 1964 (BES No. U-225-1). A national study of educational characteristics of claimants under the Temporary Extended Unemployment Compensation Program, 1961-62.

LABOR FORCE STATUS AFTER EXHAUSTION OF BENEFITS, Special TEUC Report No. 2, February 1965 (BES No. U-225-2). A 13-State study of claimants who exhausted benefits under the Temporary Extended Unemployment Compensation Program, 1961-62.

COMPARISON WITH REGULAR UNEMPLOYMENT INSURANCE CLAIMANTS, Special TEUC Report No. 3, November 1965 (BES No. U-225-3). A 13-State study comparing family and other characteristics of claimants under the Temporary Extended Unemployment Compensation Program, 1961-62, and regular State programs.

INTERSTATE CLAIMANTS, Special TEUC Report No. 4, March 1966 (BES No. U-225-4). A 4-State study comparing family and other characteristics of interstate and intrastate claimants under the Temporary Extended Unemployment Compensation Program, 1961-62.

FINANCIAL RESOURCES AND ADJUSTMENTS, Special TEUC Report No. 5, August 1966 (BES No. U-225-5). A 13-State study of the resources available to and adjustments made by claimants who received benefits under the Temporary Extended Unemployment Compensation Program, 1961-62, and regular State programs.

CLAIMANTS UNDER FEDERAL UNEMPLOYMENT COMPENSATION PROGRAMS, Special TEUC Report No. 6, February 1967 (BES No. U-225-6). A national study of family and other characteristics of UCFE (Federal civilian employees) and UCX (ex-servicemen) claimants who received benefits under the Temporary Extended Unemployment Compensation Program, 1961-62.

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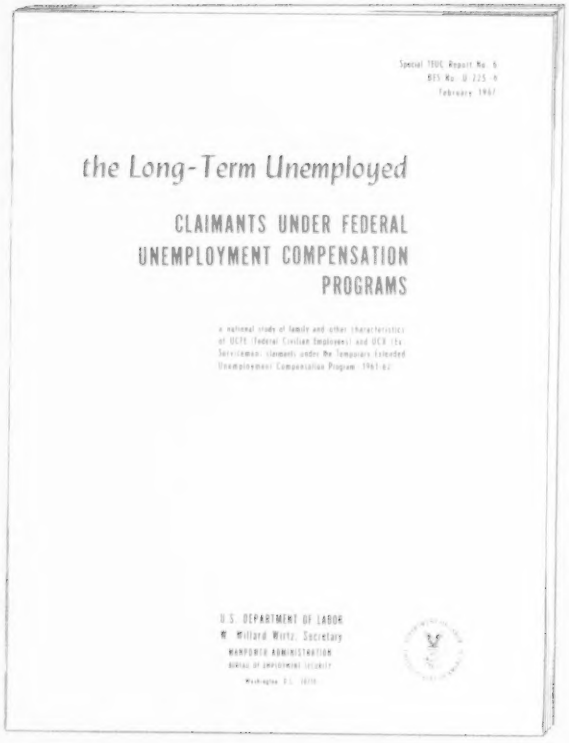

The Long-Term Unemployed: Claimants Under Federal Unemployment Compensation Programs is the last of six special reports on specific aspects of the Temporary Extended Unemployment Compensation (TEUC) Program of 1961–62. It describes findings of a national study of personal, family, and economic characteristics of UCFE (Federal civilian employees) and UCX (ex-servicemen) claimants who received TEUC benefits.

Single copies of *The Long-Term Unemployed: Claimants Under Federal Unemployment Compensation Programs,* Special TEUC Report No. 6 (BES No. U–225–6), February 1967, may be obtained without cost, as long as supplies permit, upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C. 20210.

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